

AMENDED IN SENATE APRIL 20, 2015

SENATE BILL

No. 514

Introduced by Senator Anderson

February 26, 2015

~~An act to amend Section 11344.1 of the Government Code, relating to administrative procedures. An act to amend Section 100503 of the Government Code, relating to health care coverage, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 514, as amended, Anderson. ~~California Regulatory Notice Register. California Health Benefit Exchange.~~

Existing federal law, the federal Patient Protection and Affordable Care Act (PPACA), enacts various health care coverage market reforms that took effect January 1, 2014. Among other things, PPACA requires each health insurance issuer that offers health insurance coverage in the individual or group market in a state to accept every employer and individual in the state that applies for that coverage and to renew that coverage at the option of the plan sponsor or the individual. PPACA also requires each state to establish an American Health Benefit Exchange that facilitates the purchase of qualified health plans by qualified individuals and qualified small employers, as specified.

Existing law establishes the California Health Benefit Exchange (Exchange) within state government, specifies the powers and duties of the board governing the Exchange, and requires the board to facilitate the purchase of qualified health plans through the Exchange by qualified individuals and small employers. Existing law requires the board, among other things, to determine the criteria and process for eligibility, enrollment, and disenrollment of enrollees and potential enrollees in

the Exchange and coordinate that process with state and local government entities administering other specified health care coverage programs, as specified.

This bill would additionally require the board, without unreasonable delay, to allow an applicant to indicate in an application for health care coverage whether or not the applicant would like assistance with completing the application from an Exchange certified insurance agent or certified enrollment counselor. The bill would prohibit the Exchange from disclosing any personal information, as defined, that was obtained from the application for health care coverage to a certified insurance agent or certified enrollment counselor until the Exchange has complied with the provision described above. The bill would also prohibit the Exchange from disclosing personal information that was obtained from the application for health care coverage to a certified insurance agent or certified enrollment counselor if the applicant indicates that the applicant does not want assistance from an Exchange certified insurance agent or certified enrollment counselor. The bill would provide that these provisions do not preclude the Exchange from sharing the information of current enrollees or applicants with the same certified enrollment counselor or certified insurance agent of record that provided the applicant assistance with an existing application, or their successor or authorized staff, as specified.

This bill would declare that it is to take effect immediately as an urgency statute.

~~Existing law governs the procedure for the adoption, amendment, or repeal of regulations by state agencies and for the review of those regulatory actions by the Office of Administrative Law. Existing law requires the office to provide for the publication of the California Regulatory Notice Register and to include specified information in the register, including notices of proposed action prepared by regulatory agencies, a summary of regulations filed with the Secretary of State, and a summary of regulation decisions issued, as specified.~~

~~This bill would make technical, nonsubstantive changes to that law.~~

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: ~~no~~^{yes}. State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 100503 of the Government Code, as*
2 *amended by Section 1 of Chapter 572 of the Statutes of 2014, is*
3 *amended to read:*

4 100503. In addition to meeting the minimum requirements of
5 Section 1311 of the federal act, the board shall do all of the
6 following:

7 (a) (1) Determine the criteria and process for eligibility,
8 enrollment, and disenrollment of enrollees and potential enrollees
9 in the Exchange and coordinate that process with the state and
10 local government entities administering other health care coverage
11 programs, including the State Department of Health Care Services,
12 the Managed Risk Medical Insurance Board, and California
13 counties, in order to ensure consistent eligibility and enrollment
14 processes and seamless transitions between coverage.

15 (2) (A) *Without unreasonable delay, allow an applicant to*
16 *indicate in an application for health care coverage whether or not*
17 *the applicant would like assistance with completing the application*
18 *from an Exchange certified insurance agent or certified enrollment*
19 *counselor.*

20 (B) *Until the Exchange has complied with subparagraph (A),*
21 *the Exchange shall not disclose any personal information, as*
22 *defined in Section 1798.3 of the Civil Code, that was obtained*
23 *from the application for health care coverage to a certified*
24 *insurance agent or certified enrollment counselor.*

25 (C) *The Exchange shall not disclose personal information, as*
26 *defined in Section 1798.3 of the Civil Code, that was obtained*
27 *from the application for health care coverage to a certified*
28 *insurance agent or certified enrollment counselor if the applicant*
29 *indicates that the applicant does not want assistance from an*
30 *Exchange certified insurance agent or certified enrollment*
31 *counselor.*

32 (D) *Nothing in this section shall preclude the Exchange from*
33 *sharing the information of current enrollees or applicants with*
34 *the same certified enrollment counselor or certified insurance*
35 *agent of record that provided the applicant assistance with an*
36 *existing application, or their successor or authorized staff, as*
37 *otherwise permitted by federal and state laws and regulations.*

1 (b) Develop processes to coordinate with the county entities
2 that administer eligibility for the Medi-Cal program and the entity
3 that determines eligibility for the Healthy Families Program,
4 including, but not limited to, processes for case transfer, referral,
5 and enrollment in the Exchange of individuals applying for
6 assistance to those entities, if allowed or required by federal law.

7 (c) Determine the minimum requirements a carrier must meet
8 to be considered for participation in the Exchange, and the
9 standards and criteria for selecting qualified health plans to be
10 offered through the Exchange that are in the best interests of
11 qualified individuals and qualified small employers. The board
12 shall consistently and uniformly apply these requirements,
13 standards, and criteria to all carriers. In the course of selectively
14 contracting for health care coverage offered to qualified individuals
15 and qualified small employers through the Exchange, the board
16 shall seek to contract with carriers so as to provide health care
17 coverage choices that offer the optimal combination of choice,
18 value, quality, and service.

19 (d) Provide, in each region of the state, a choice of qualified
20 health plans at each of the five levels of coverage contained in
21 subsections (d) and (e) of Section 1302 of the federal act, subject
22 to subdivision (e) of this section, paragraph (2) of subdivision (d)
23 of Section 1366.6 of the Health and Safety Code, and paragraph
24 (2) of subdivision (d) of Section 10112.3 of the Insurance Code.

25 (e) Require, as a condition of participation in the individual
26 market of the Exchange, carriers to fairly and affirmatively offer,
27 market, and sell in the individual market of the Exchange at least
28 one product within each of the five levels of coverage contained
29 in subsections (d) and (e) of Section 1302 of the federal act and
30 require, as a condition of participation in the SHOP Program,
31 carriers to fairly and affirmatively offer, market, and sell in the
32 SHOP Program at least one product within each of the four levels
33 of coverage contained in subsection (d) of Section 1302 of the
34 federal act. The board may require carriers to offer additional
35 products within each of those levels of coverage. This subdivision
36 shall not apply to a carrier that solely offers supplemental coverage
37 in the Exchange under paragraph (10) of subdivision (a) of Section
38 100504.

39 (f) (1) Except as otherwise provided in this section and Section
40 100504.5, require, as a condition of participation in the Exchange,

1 carriers that sell any products outside the Exchange to do both of
2 the following:

3 (A) Fairly and affirmatively offer, market, and sell all products
4 made available to individuals in the Exchange to individuals
5 purchasing coverage outside the Exchange.

6 (B) Fairly and affirmatively offer, market, and sell all products
7 made available to small employers in the Exchange to small
8 employers purchasing coverage outside the Exchange.

9 (2) For purposes of this subdivision, “product” does not include
10 contracts entered into pursuant to Part 6.2 (commencing with
11 Section 12693) of Division 2 of the Insurance Code between the
12 Managed Risk Medical Insurance Board and carriers for enrolled
13 Healthy Families beneficiaries or contracts entered into pursuant
14 to Chapter 7 (commencing with Section 14000) of, or Chapter 8
15 (commencing with Section 14200) of, Part 3 of Division 9 of the
16 Welfare and Institutions Code between the State Department of
17 Health Care Services and carriers for enrolled Medi-Cal
18 beneficiaries. “Product” also does not include a bridge plan product
19 offered pursuant to Section 100504.5.

20 (3) Except as required by Section 1301(a)(1)(C)(ii) of the federal
21 act, a carrier offering a bridge plan product in the Exchange may
22 limit the products it offers in the Exchange solely to a bridge plan
23 product contract.

24 (g) Determine when an enrollee’s coverage commences and the
25 extent and scope of coverage.

26 (h) Provide for the processing of applications and the enrollment
27 and disenrollment of enrollees.

28 (i) Determine and approve cost-sharing provisions for qualified
29 health plans.

30 (j) Establish uniform billing and payment policies for qualified
31 health plans offered in the Exchange to ensure consistent
32 enrollment and disenrollment activities for individuals enrolled in
33 the Exchange.

34 (k) Undertake activities necessary to market and publicize the
35 availability of health care coverage and federal subsidies through
36 the Exchange. The board shall also undertake outreach and
37 enrollment activities that seek to assist enrollees and potential
38 enrollees with enrolling and reenrolling in the Exchange in the
39 least burdensome manner, including populations that may

1 experience barriers to enrollment, such as the disabled and those
2 with limited English language proficiency.

3 (l) Select and set performance standards and compensation for
4 navigators selected under subdivision (l) of Section 100502.

5 (m) Employ necessary staff.

6 (1) The board shall hire a chief fiscal officer, a chief operations
7 officer, a director for the SHOP Exchange, a director of Health
8 Plan Contracting, a chief technology and information officer, a
9 general counsel, and other key executive positions, as determined
10 by the board, who shall be exempt from civil service.

11 (2) (A) The board shall set the salaries for the exempt positions
12 described in paragraph (1) and subdivision (i) of Section 100500
13 in amounts that are reasonably necessary to attract and retain
14 individuals of superior qualifications. The salaries shall be
15 published by the board in the board's annual budget. The board's
16 annual budget shall be posted on the Internet Web site of the
17 Exchange. To determine the compensation for these positions, the
18 board shall cause to be conducted, through the use of independent
19 outside advisors, salary surveys of both of the following:

20 (i) Other state and federal health insurance exchanges that are
21 most comparable to the Exchange.

22 (ii) Other relevant labor pools.

23 (B) The salaries established by the board under subparagraph
24 (A) shall not exceed the highest comparable salary for a position
25 of that type, as determined by the surveys conducted pursuant to
26 subparagraph (A).

27 (C) The Department of Human Resources shall review the
28 methodology used in the surveys conducted pursuant to
29 subparagraph (A).

30 (3) The positions described in paragraph (1) and subdivision (i)
31 of Section 100500 shall not be subject to otherwise applicable
32 provisions of the Government Code or the Public Contract Code
33 and, for those purposes, the Exchange shall not be considered a
34 state agency or public entity.

35 (n) Assess a charge on the qualified health plans offered by
36 carriers that is reasonable and necessary to support the
37 development, operations, and prudent cash management of the
38 Exchange. This charge shall not affect the requirement under
39 Section 1301 of the federal act that carriers charge the same

1 premium rate for each qualified health plan whether offered inside
2 or outside the Exchange.

3 (o) Authorize expenditures, as necessary, from the California
4 Health Trust Fund to pay program expenses to administer the
5 Exchange.

6 (p) Keep an accurate accounting of all activities, receipts, and
7 expenditures, and annually submit to the United States Secretary
8 of Health and Human Services a report concerning that accounting.
9 Commencing January 1, 2016, the board shall conduct an annual
10 audit.

11 (q) (1) Annually prepare a written report on the implementation
12 and performance of the Exchange functions during the preceding
13 fiscal year, including, at a minimum, the manner in which funds
14 were expended and the progress toward, and the achievement of,
15 the requirements of this title. The report shall also include data
16 provided by health care service plans and health insurers offering
17 bridge plan products regarding the extent of health care provider
18 and health facility overlap in their Medi-Cal networks as compared
19 to the health care provider and health facility networks contracting
20 with the plan or insurer in their bridge plan contracts. This report
21 shall be transmitted to the Legislature and the Governor and shall
22 be made available to the public on the Internet Web site of the
23 Exchange. A report made to the Legislature pursuant to this
24 subdivision shall be submitted pursuant to Section 9795.

25 (2) The Exchange shall prepare, or contract for the preparation
26 of, an evaluation of the bridge plan program using the first three
27 years of experience with the program. The evaluation shall be
28 provided to the health policy and fiscal committees of the
29 Legislature in the fourth year following federal approval of the
30 bridge plan option. The evaluation shall include, but not be limited
31 to, all of the following:

32 (A) The number of individuals eligible to participate in the
33 bridge plan program each year by category of eligibility.

34 (B) The number of eligible individuals who elect a bridge plan
35 option each year by category of eligibility.

36 (C) The average length of time, by region and statewide, that
37 individuals remain in the bridge plan option each year by category
38 of eligibility.

39 (D) The regions of the state with a bridge plan option, and the
40 carriers in each region that offer a bridge plan, by year.

1 (E) The premium difference each year, by region, between the
2 bridge plan and the first and second lowest cost plan for individuals
3 in the Exchange who are not eligible for the bridge plan.

4 (F) The effect of the bridge plan on the premium subsidy amount
5 for bridge plan eligible individuals each year by each region.

6 (G) Based on a survey of individuals enrolled in the bridge plan:

7 (i) Whether individuals enrolling in the bridge plan product are
8 able to keep their existing health care providers.

9 (ii) Whether individuals would want to retain their bridge plan
10 product, buy a different Exchange product, or decline to purchase
11 health insurance if there was no bridge plan product available. The
12 Exchange may include questions designed to elicit the information
13 in this subparagraph as part of an existing survey of individuals
14 receiving coverage in the Exchange.

15 (3) In addition to the evaluation required by paragraph (2), the
16 Exchange shall post the items in subparagraphs (A) to (F),
17 inclusive, on its Internet Web site each year.

18 (4) In addition to the report described in paragraph (1), the board
19 shall be responsive to requests for additional information from the
20 Legislature, including providing testimony and commenting on
21 proposed state legislation or policy issues. The Legislature finds
22 and declares that activities including, but not limited to, responding
23 to legislative or executive inquiries, tracking and commenting on
24 legislation and regulatory activities, and preparing reports on the
25 implementation of this title and the performance of the Exchange,
26 are necessary state requirements and are distinct from the
27 promotion of legislative or regulatory modifications referred to in
28 subdivision (d) of Section 100520.

29 (r) Maintain enrollment and expenditures to ensure that
30 expenditures do not exceed the amount of revenue in the fund, and
31 if sufficient revenue is not available to pay estimated expenditures,
32 institute appropriate measures to ensure fiscal solvency.

33 (s) Exercise all powers reasonably necessary to carry out and
34 comply with the duties, responsibilities, and requirements of this
35 act and the federal act.

36 (t) Consult with stakeholders relevant to carrying out the
37 activities under this title, including, but not limited to, all of the
38 following:

39 (1) Health care consumers who are enrolled in health plans.

1 (2) Individuals and entities with experience in facilitating
2 enrollment in health plans.

3 (3) Representatives of small businesses and self-employed
4 individuals.

5 (4) The State Medi-Cal Director.

6 (5) Advocates for enrolling hard-to-reach populations.

7 (u) Facilitate the purchase of qualified health plans in the
8 Exchange by qualified individuals and qualified small employers
9 no later than January 1, 2014.

10 (v) Report, or contract with an independent entity to report, to
11 the Legislature by December 1, 2018, on whether to adopt the
12 option in Section 1312(c)(3) of the federal act to merge the
13 individual and small employer markets. In its report, the board
14 shall provide information, based on at least two years of data from
15 the Exchange, on the potential impact on rates paid by individuals
16 and by small employers in a merged individual and small employer
17 market, as compared to the rates paid by individuals and small
18 employers if a separate individual and small employer market is
19 maintained. A report made pursuant to this subdivision shall be
20 submitted pursuant to Section 9795.

21 (w) With respect to the SHOP Program, collect premiums and
22 administer all other necessary and related tasks, including, but not
23 limited to, enrollment and plan payment, in order to make the
24 offering of employee plan choice as simple as possible for qualified
25 small employers.

26 (x) Require carriers participating in the Exchange to immediately
27 notify the Exchange, under the terms and conditions established
28 by the board when an individual is or will be enrolled in or
29 disenrolled from any qualified health plan offered by the carrier.

30 (y) Ensure that the Exchange provides oral interpretation
31 services in any language for individuals seeking coverage through
32 the Exchange and makes available a toll-free telephone number
33 for the hearing and speech impaired. The board shall ensure that
34 written information made available by the Exchange is presented
35 in a plainly worded, easily understandable format and made
36 available in prevalent languages.

37 (z) This section shall become inoperative on the October 1 that
38 is five years after the date that federal approval of the bridge plan
39 option occurs, and, as of the second January 1 thereafter, is
40 repealed, unless a later enacted statute that is enacted before that

1 date deletes or extends the dates on which it becomes inoperative
2 and is repealed.

3 *SEC. 2. Section 100503 of the Government Code, as amended*
4 *by Section 2 of Chapter 572 of the Statutes of 2014, is amended*
5 *to read:*

6 100503. In addition to meeting the minimum requirements of
7 Section 1311 of the federal act, the board shall do all of the
8 following:

9 (a) (1) Determine the criteria and process for eligibility,
10 enrollment, and disenrollment of enrollees and potential enrollees
11 in the Exchange and coordinate that process with the state and
12 local government entities administering other health care coverage
13 programs, including the State Department of Health Care Services,
14 the Managed Risk Medical Insurance Board, and California
15 counties, in order to ensure consistent eligibility and enrollment
16 processes and seamless transitions between coverage.

17 (2) (A) *Without unreasonable delay, allow an applicant to*
18 *indicate in an application for health care coverage whether or not*
19 *the applicant would like assistance with completing that application*
20 *from an Exchange certified insurance agent or certified enrollment*
21 *counselor.*

22 (B) *Until the Exchange has complied with subparagraph (A),*
23 *the Exchange shall not disclose any personal information, as*
24 *defined in Section 1798.3 of the Civil Code, that was obtained*
25 *from the application for health care coverage to a certified*
26 *insurance agent or certified enrollment counselor.*

27 (C) *The Exchange shall not disclose personal information, as*
28 *defined in Section 1798.3 of the Civil Code, that was obtained*
29 *from the application for health care coverage to a certified*
30 *insurance agent or certified enrollment counselor if the applicant*
31 *indicates that the applicant does not want assistance from an*
32 *Exchange certified insurance agent or certified enrollment*
33 *counselor.*

34 (D) *Nothing in this section shall preclude the Exchange from*
35 *sharing the information of current enrollees or applicants with*
36 *the same certified enrollment counselor or certified insurance*
37 *agent of record that provided the applicant assistance with an*
38 *existing application, or their successor or authorized staff, as*
39 *otherwise permitted by federal and state laws and regulations.*

1 (b) Develop processes to coordinate with the county entities
2 that administer eligibility for the Medi-Cal program and the entity
3 that determines eligibility for the Healthy Families Program,
4 including, but not limited to, processes for case transfer, referral,
5 and enrollment in the Exchange of individuals applying for
6 assistance to those entities, if allowed or required by federal law.

7 (c) Determine the minimum requirements a carrier must meet
8 to be considered for participation in the Exchange, and the
9 standards and criteria for selecting qualified health plans to be
10 offered through the Exchange that are in the best interests of
11 qualified individuals and qualified small employers. The board
12 shall consistently and uniformly apply these requirements,
13 standards, and criteria to all carriers. In the course of selectively
14 contracting for health care coverage offered to qualified individuals
15 and qualified small employers through the Exchange, the board
16 shall seek to contract with carriers so as to provide health care
17 coverage choices that offer the optimal combination of choice,
18 value, quality, and service.

19 (d) Provide, in each region of the state, a choice of qualified
20 health plans at each of the five levels of coverage contained in
21 subsections (d) and (e) of Section 1302 of the federal act, subject
22 to subdivision (e) of this section, paragraph (2) of subdivision (d)
23 of Section 1366.6 of the Health and Safety Code and paragraph
24 (2) of subdivision (d) of Section 10112.3 of the Insurance Code.

25 (e) Require, as a condition of participation in the Exchange,
26 carriers to fairly and affirmatively offer, market, and sell in the
27 Exchange at least one product within each of the five levels of
28 coverage contained in subsections (d) and (e) of Section 1302 of
29 the federal act and require, as a condition of participation in the
30 SHOP Program, carriers to fairly and affirmatively offer, market,
31 and sell in the SHOP Program at least one product within each of
32 the four levels of coverage contained in subsection (d) of Section
33 1302 of the federal act. The board may require carriers to offer
34 additional products within each of those levels of coverage. This
35 subdivision shall not apply to a carrier that solely offers
36 supplemental coverage in the Exchange under paragraph (10) of
37 subdivision (a) of Section 100504.

38 (f) (1) Require, as a condition of participation in the Exchange,
39 carriers that sell any products outside the Exchange to do both of
40 the following:

1 (A) Fairly and affirmatively offer, market, and sell all products
2 made available to individuals in the Exchange to individuals
3 purchasing coverage outside the Exchange.

4 (B) Fairly and affirmatively offer, market, and sell all products
5 made available to small employers in the Exchange to small
6 employers purchasing coverage outside the Exchange.

7 (2) For purposes of this subdivision, “product” does not include
8 contracts entered into pursuant to Part 6.2 (commencing with
9 Section 12693) of Division 2 of the Insurance Code between the
10 Managed Risk Medical Insurance Board and carriers for enrolled
11 Healthy Families beneficiaries or contracts entered into pursuant
12 to Chapter 7 (commencing with Section 14000) of, or Chapter 8
13 (commencing with Section 14200) of, Part 3 of Division 9 of the
14 Welfare and Institutions Code between the State Department of
15 Health Care Services and carriers for enrolled Medi-Cal
16 beneficiaries.

17 (g) Determine when an enrollee’s coverage commences and the
18 extent and scope of coverage.

19 (h) Provide for the processing of applications and the enrollment
20 and disenrollment of enrollees.

21 (i) Determine and approve cost-sharing provisions for qualified
22 health plans.

23 (j) Establish uniform billing and payment policies for qualified
24 health plans offered in the Exchange to ensure consistent
25 enrollment and disenrollment activities for individuals enrolled in
26 the Exchange.

27 (k) Undertake activities necessary to market and publicize the
28 availability of health care coverage and federal subsidies through
29 the Exchange. The board shall also undertake outreach and
30 enrollment activities that seek to assist enrollees and potential
31 enrollees with enrolling and reenrolling in the Exchange in the
32 least burdensome manner, including populations that may
33 experience barriers to enrollment, such as the disabled and those
34 with limited English language proficiency.

35 (l) Select and set performance standards and compensation for
36 navigators selected under subdivision (l) of Section 100502.

37 (m) Employ necessary staff.

38 (1) The board shall hire a chief fiscal officer, a chief operations
39 officer, a director for the SHOP Exchange, a director of Health
40 Plan Contracting, a chief technology and information officer, a

1 general counsel, and other key executive positions, as determined
2 by the board, who shall be exempt from civil service.

3 (2) (A) The board shall set the salaries for the exempt positions
4 described in paragraph (1) and subdivision (i) of Section 100500
5 in amounts that are reasonably necessary to attract and retain
6 individuals of superior qualifications. The salaries shall be
7 published by the board in the board's annual budget. The board's
8 annual budget shall be posted on the Internet Web site of the
9 Exchange. To determine the compensation for these positions, the
10 board shall cause to be conducted, through the use of independent
11 outside advisors, salary surveys of both of the following:

12 (i) Other state and federal health insurance exchanges that are
13 most comparable to the Exchange.

14 (ii) Other relevant labor pools.

15 (B) The salaries established by the board under subparagraph
16 (A) shall not exceed the highest comparable salary for a position
17 of that type, as determined by the surveys conducted pursuant to
18 subparagraph (A).

19 (C) The Department of Human Resources shall review the
20 methodology used in the surveys conducted pursuant to
21 subparagraph (A).

22 (3) The positions described in paragraph (1) and subdivision (i)
23 of Section 100500 shall not be subject to otherwise applicable
24 provisions of the Government Code or the Public Contract Code
25 and, for those purposes, the Exchange shall not be considered a
26 state agency or public entity.

27 (n) Assess a charge on the qualified health plans offered by
28 carriers that is reasonable and necessary to support the
29 development, operations, and prudent cash management of the
30 Exchange. This charge shall not affect the requirement under
31 Section 1301 of the federal act that carriers charge the same
32 premium rate for each qualified health plan whether offered inside
33 or outside the Exchange.

34 (o) Authorize expenditures, as necessary, from the California
35 Health Trust Fund to pay program expenses to administer the
36 Exchange.

37 (p) Keep an accurate accounting of all activities, receipts, and
38 expenditures, and annually submit to the United States Secretary
39 of Health and Human Services a report concerning that accounting.

1 Commencing January 1, 2016, the board shall conduct an annual
2 audit.

3 (q) (1) Annually prepare a written report on the implementation
4 and performance of the Exchange functions during the preceding
5 fiscal year, including, at a minimum, the manner in which funds
6 were expended and the progress toward, and the achievement of,
7 the requirements of this title. This report shall be transmitted to
8 the Legislature and the Governor and shall be made available to
9 the public on the Internet Web site of the Exchange. A report made
10 to the Legislature pursuant to this subdivision shall be submitted
11 pursuant to Section 9795.

12 (2) In addition to the report described in paragraph (1), the board
13 shall be responsive to requests for additional information from the
14 Legislature, including providing testimony and commenting on
15 proposed state legislation or policy issues. The Legislature finds
16 and declares that activities including, but not limited to, responding
17 to legislative or executive inquiries, tracking and commenting on
18 legislation and regulatory activities, and preparing reports on the
19 implementation of this title and the performance of the Exchange,
20 are necessary state requirements and are distinct from the
21 promotion of legislative or regulatory modifications referred to in
22 subdivision (d) of Section 100520.

23 (r) Maintain enrollment and expenditures to ensure that
24 expenditures do not exceed the amount of revenue in the fund, and
25 if sufficient revenue is not available to pay estimated expenditures,
26 institute appropriate measures to ensure fiscal solvency.

27 (s) Exercise all powers reasonably necessary to carry out and
28 comply with the duties, responsibilities, and requirements of this
29 act and the federal act.

30 (t) Consult with stakeholders relevant to carrying out the
31 activities under this title, including, but not limited to, all of the
32 following:

33 (1) Health care consumers who are enrolled in health plans.

34 (2) Individuals and entities with experience in facilitating
35 enrollment in health plans.

36 (3) Representatives of small businesses and self-employed
37 individuals.

38 (4) The State Medi-Cal Director.

39 (5) Advocates for enrolling hard-to-reach populations.

1 (u) Facilitate the purchase of qualified health plans in the
2 Exchange by qualified individuals and qualified small employers
3 no later than January 1, 2014.

4 (v) Report, or contract with an independent entity to report, to
5 the Legislature by December 1, 2018, on whether to adopt the
6 option in Section 1312(c)(3) of the federal act to merge the
7 individual and small employer markets. In its report, the board
8 shall provide information, based on at least two years of data from
9 the Exchange, on the potential impact on rates paid by individuals
10 and by small employers in a merged individual and small employer
11 market, as compared to the rates paid by individuals and small
12 employers if a separate individual and small employer market is
13 maintained. A report made pursuant to this subdivision shall be
14 submitted pursuant to Section 9795.

15 (w) With respect to the SHOP Program, collect premiums and
16 administer all other necessary and related tasks, including, but not
17 limited to, enrollment and plan payment, in order to make the
18 offering of employee plan choice as simple as possible for qualified
19 small employers.

20 (x) Require carriers participating in the Exchange to immediately
21 notify the Exchange, under the terms and conditions established
22 by the board when an individual is or will be enrolled in or
23 disenrolled from any qualified health plan offered by the carrier.

24 (y) Ensure that the Exchange provides oral interpretation
25 services in any language for individuals seeking coverage through
26 the Exchange and makes available a toll-free telephone number
27 for the hearing and speech impaired. The board shall ensure that
28 written information made available by the Exchange is presented
29 in a plainly worded, easily understandable format and made
30 available in prevalent languages.

31 (z) This section shall become operative only if Section 4 of the
32 act that added this section becomes inoperative pursuant to
33 subdivision (z) of that Section 4.

34 *SEC. 3. Sections 1 and 2 of this bill shall become operative on*
35 *October 1, 2015.*

36 *SEC. 4. This act is an urgency statute necessary for the*
37 *immediate preservation of the public peace, health, or safety within*
38 *the meaning of Article IV of the Constitution and shall go into*
39 *immediate effect. The facts constituting the necessity are:*

1 *Protecting Californians' privacy rights is of the utmost*
2 *importance, and in order to protect the privacy rights of individuals*
3 *applying for health care coverage through the California Health*
4 *Benefit Exchange at the earliest possible time, it is necessary that*
5 *this act take effect immediately.*

6 ~~SECTION 1. Section 11344.1 of the Government Code is~~
7 ~~amended to read:~~

8 ~~11344.1. The office shall do all of the following:~~

9 ~~(a) Provide for the publication of the California Regulatory~~
10 ~~Notice Register, which shall be an official publication of the State~~
11 ~~of California and which shall contain the following:~~

12 ~~(1) Notices of proposed action prepared by regulatory agencies,~~
13 ~~subject to the notice requirements of this chapter, and which have~~
14 ~~been approved by the office.~~

15 ~~(2) A summary of all regulations filed with the Secretary of~~
16 ~~State in the previous week.~~

17 ~~(3) Summaries of all regulation decisions issued in the previous~~
18 ~~week detailing the reasons for disapproval of a regulation, the~~
19 ~~reasons for not filing an emergency regulation, and the reasons for~~
20 ~~repealing an emergency regulation. The California Regulatory~~
21 ~~Notice Register shall also include a quarterly index of regulation~~
22 ~~decisions.~~

23 ~~(4) Material that is required to be published under Sections~~
24 ~~11349.5, 11349.7, and 11349.9.~~

25 ~~(5) Determinations issued pursuant to Section 11340.5.~~

26 ~~(b) Establish the publication dates and manner and form in~~
27 ~~which the California Regulatory Notice Register shall be prepared~~
28 ~~and published and ensure that it is published and distributed in a~~
29 ~~timely manner to the presiding officer and rules committee of each~~
30 ~~house of the Legislature and to all subscribers.~~

31 ~~(c) Post on its Internet Web site, on a weekly basis:~~

32 ~~(1) The California Regulatory Notice Register. Each issue of~~
33 ~~the California Regulatory Notice Register on the office's Internet~~
34 ~~Web site shall remain posted for a minimum of 18 months.~~

35 ~~(2) One or more Internet Web site links to assist the public to~~
36 ~~gain access to the text of regulations proposed by state agencies.~~